LEADERSHIP IN MANAGEMENT: A UNIVERSAL LEADERSHIP MODEL FOR

THE 21ST CENTURY

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ABSTRACT

This paper intends to provide an effective universal leadership solution for managers to be able to adapt to the economic environment of the 21st century. The proposed solution focuses on developing managerial agility to adapt to the "economies of change", which typify the current market conditions, while effectively soliciting organizational commitment. From a literature review approach, the authors will shed some light upon the essence and role of leadership and its relationship within the framework of management, and especially the new upcoming trend of self-management. After evaluating the effectiveness of a selection of different leadership styles against the current state of the economy, the authors propose a hybrid, plastic, and contextual two-tier leadership style, to be the solution of choice. The contextual leadership style combines elements of the transformational, transactional, situational, executive, servant, autocratic and charismatic leadership styles and employs the appropriate style elements according to the situational demands. Therefore the *"contextual leadership style"* is the optimal universal leadership style choice for managers to adapt to the rapidly changing economic environment while soliciting maximal buy-in from the organization's human capital assets.

KEYWORDS: Effective Leadership, Universal Leadership, Contextual, Management, Self, Management

INTRODUCTION

Leadership in Management: A Universal Leadership Model for the 21st Century

"The current economic environment remains in constant flux and is characterized by rapid changes in technology, costs, regulations and market demands" (Capoccia & Abeles, 2006, p. 13). The complexity and pace of these challenges seem to have increased exponentially in the last decade, causing significant stress on employees and employers alike. Nick Petrie (2011), in his white paper "Future trends in leadership development," describes this new working environment with the army term *"V.U.C.A",* an acronym for:

*Volatile***:** Change happens rapidly and on a large scale

*Uncertain***:** The future cannot be predicted with any precision

*Complex***:** Challenges are complicated by many factors and there are few single causes or solutions

*Ambiguous***:** There is little clarity on what events mean and what effect they may have (p. 8)

Executives have increasingly been struggling to balance operational efficiency and effectiveness with the delivery of quality products against an increasingly complex, regulated and deteriorating economic climate. These rapidly changing internal and external variables are forcing managers to adapt and evolve to a more effective, innovative, and solution based approach.

Steve Jobs, Jack Welch, Bill Gates, and on the flip side, Bernie Ebbers, Kenneth Lay, and Bernie Madoff are some prime examples of how success and failure are most often attributed to the organization's leadership, or lack thereof. The Institute for Crisis Management (ICM), in a 2009 report, identified 51% of the crises to be "management-related", which suggests that management, as a whole, is doing a poor job of leading their organizations (Brumfield, 2012, p. 45). While the study does not provide a root cause analysis or answers, it clearly indicates that there is a significant managerial problem that can substantially affect organizational outcomes. The question then remains what constitutes "good leadership" and how can management attain this quality?

Upon reviewing the definition of "leadership" the authors discovered a large number of different opinions and descriptions, but found little or no consensus on one all-encompassing definition.

They did notice an overwhelming support from global corporate management to address the need for the development of leadership skills within the business curricula (Bloch, Brewer, & Stout, 2012). The resulting research suggested a positive correlation to exist between leadership effectiveness and specific traits (Malik, Hussain, U. Ali, & M. Ali, 2011), as well as leadership and organizational commitment (Rehman, Shareef, Mahmood, & Ishaque, 2012). Studies by Khan, Hafeez, Rizvi, Hasnain, and Mariam (2012) and Rehman, et al. (2012) prove transformational and transactional leadership styles to be the most effective managerial tool for current times. Larsson and Vinberg (2010) conducted a study of effective leadership behavior spanning one hospital and one retail business, and concluded successful managers predominantly employed relationship oriented behaviors. However, they further hypothesized that managerial behavior could be modified to include change and structure oriented actions depending on situational factors.

Furthermore, Cangemi, Davis, Sand, and Lott (2011) postulate leadership effectiveness to be dependent on the phase of organizational development. Petrie (2011) and Brumfield (2012) provide a different perspective and hypothesize leadership to be a process of influence rather than a series of personal actions and decisions. Finally, Goleman, Boyatzis, & McKee (2002) maintain that high emotional intelligence is the key element to producing outstanding leadership performance, and he theorizes that leadership competencies can be learned.

Even though literature reveals divided opinions and conclusions, it is evident that leadership effectiveness should be explored and analyzed from a multitude of angles.

The Current Economic Landscape

The current economic landscape is composed of a struggling U.S. marketplace due to the approaching fiscal cliff in 2012 and growing uncertainty of the country's fate. The basic fundamentals and functions of the economy paused towards the end of 2012 due to the forecasted fiscal cliff which led to a small increase in revenue by the government through taxation. Despite small changes to fiscal tightening, the economy is still expected to be somewhat volatile until the end of 2013 where it is predicted to slowly gain stability. Deficit spending still continues while banks are lending more than they have in previous years. Unemployment is still very high as well as retail sales because consumers are less afraid to spend their money than before.

Globalization has become extremely popular over the last decade especially with increases and advances in technologies which has made it easier to communicate and execute product developments overseas. This method has encouraged leaders of corporations to reach out internationally and utilize less developed countries to benefit one another. With the current economic downfalls it is increasingly more appealing to resort to other countries for cheap labor and execution of products in the U.S. rather than use our own country's workers and skills in order to save money.

According to the Bureau of Economic Analysis, during the fourth quarter of 2012 the U.S. experienced a real slowdown in growth due to lack of inventory investment and national defense spending as well as a decrease in exports. For the 2012 year, corporations experienced a profit decrease from 7.3 percent in 2011 to 6.8 percent. During the fourth quarter of 2012 nonfinancial corporations rose 2.3 percent and the rest of the world rose 5.6 percent while financial corporations in the U.S. dropped 0.8 percent. However, there was an increase in dividends in the fourth quarter to $124.3 billion compared to $12.8 billion in the third quarter. This increase, though, was attributed to accelerated payments that were anticipated for expected law changes for 2013 (Stewart & Aversa, 2013).

With an unstable economy and still somewhat fearful consumers it is critical to have strong and knowledgeable leaders in our corporations to help pick up the country's path down a steep slope. Leaders need to have faith in the workers of its own country rather than make the mistake of outsourcing and relying on the cheap labor of other countries. Strong leaders with the confidence and trust to put business back into our country will help our unemployment rates as well as stimulate the amount of money flowing through our market. Knowledgeable leaders can help analyze and identify during our country's recession what consumers really value. It is necessary to understand and be in tune with how consumers think and feel during these times and what marketing strategies will really reach out to them in the most effective way.

Although it is predicted that the end of 2013 will experience a slight lift in economic growth, it is ultimately dependent upon the relationships between consumers and corporations and how much they utilize each other.

Leadership versus Management

Management and leadership both are crucial to an organization's success, but often are confused to be identical concepts. Warren Bennis, the founding chairman of USC's Leadership Institute, describes the distinctions between the two roles as follows:

The manager administers; the leader innovates.

The manager maintains; the leader develops.

The manager focuses on systems and structures; the leader focuses on people.

The manager has a short-range view; the leader has a long-range perspective.

The manager has his or her eye on the bottom line; the leader has his or her eye on the horizon.

The manager imitates; the leader originates. (Berendt, Christofi, Kasibhatla, Malindretos, & Maruff 2012, p. 228).

To shed some clarity on the topic the paper will first define the concepts of management, self-management and leadership, and then highlight the interdependent relationship of leadership within the management perspective.

The Evolution of Management

Richard Daft (2012) defines "management" as "the attainment of organizational goals in an effective and efficient manner through planning, organizing, leading and controlling organizational resources" (p. 6). A chronological description of the major trends in the science of management will provide an understanding and perspective of how socio-political and economical forces affect organizational behavior on a time continuum.

Classical Perspective

The art of management has been in practice since the inception of the first socio-political organization.

Yet, management, as a science, did not formally emerge until the nineteenth century in response to the challenges sprouting from the industrial revolution. The first or classical management perspective consisted of three distinctively different approaches, the science management theory, the bureaucratic organization, and the administrative school of thought.

Frederick Winslow Taylor was one the first to lead the way. As the founder of the scientific management theory, he used his engineering skills to develop task efficiency, process improvement, and labor productivity guidelines to achieve the greatest prosperity for both the employer and the employee. The scientific management theory encompasses the following principles:

- Scientifically examine each element of a job,

- Systematically select, train, teach, and develop each individual worker,

- Cooperate with the worker to ensure maximal job efficiency,

- The manager is responsible for how the job should be done, while the worker is responsible for doing the job (Blake & Moseley, 2011).

Max Weber constructed the "bureaucratic organizations" management model which postulates that organizational performance is the product of a rational, formal organizational structure. Operations are defined by rules and procedures and a hierarchical line of authority, based on competencies and qualifications (Daft, 2012).

Henri Fayol, a french mining engineer and time companion of both Taylor and Weber, is credited with being the father of the 'administrative school' of management. This school of thought proposes for managers to be responsible for administering the affairs of the whole organisation by employing his five functions of management; (1) to forecast and plan, to organise, to command, to co-ordinate and to control (McLean, 2011).

Humanistic Perspective

The classical theories which honed in on productivity, efficiency and processes evolved into an emphasis on human behavior in the workplace. One of the most prominent advocates of the human relations movement is Mary Parker Follett who envisioned business as a social agency, whose main objective is to develop relationships with others and oneself for the better of the greater society (Simms, 2009). McGregor, dissatisfied with the classical and early human relations principles created the Theory X and Theory Y management model. Theory X, which assumes workers to be inherently lazy, coerced to work and in need of direction, represents the earlier approaches. Theory Y, in accordance to McGregor's beliefs, assumes workers to be responsible, innovative, intelligent and autonomous (Kopelman, Prottas, & Davis, 2008).

Recent Trends in Management

"Systems Thinking", "Contingency View", and "Total Quality Management" are a few of the more recent historical management views. "Systems Thinking" is the managerial ability to identify and manipulate the elements of a system, and their subsystems, within a complex, changing context to the benefit of the organization (Daft, 2012). Contingency View relates to the theory that each situation is unique and managerial decisions are context-dependent. (Daft, 2012). "Total Quality Management" (TQM) is the brainchild of W. Edwards Deming. The TQM method measures preformance through concerted establishment of cooperative and leaming organization systems that facilitates achievement of efficient process, labor and product management. The optimization of production and management practices result in superior customer satisfaction and employee buy-in (Khan M. A., 2010).

Contemporary Management

The current rapid changing market conditions and turbulent socio-political environment require a new innovative approach. The new technological revolution is in full swing and tests the boundaries of society, especially the business sector, which has seen a shift towards globalization, customer relationship management, outsourcing, and supply chain management.

In addition, companies are developing workplace units that embody innovation, efficiency and agility in an open, collaboration oriented platform (Daft, 2012).

What Constitutes Leadership?

Upon reviewing literature the authors discovered a multitude of different leadership definitions and styles. Daft (2012) defines "leadership" as the ability to influence people toward the attainment of goals (p. 422). Malos (2011) cites that effective "leadership" is the ability to successfully integrate and maximize available resources within the internal and external environment for the attainment of organizational or societal goals (p. 215). Sameer Limbare (2012) further defines "leadership" as the interpersonal influence exerted in a situation and directed towards the attainment of specific goals (p. 172). Goleman, Boyatzis, & McKee (2002) contend that leaders should strive for achieving results. How these results are attained depends upon the style of leadership chosen. His leadership theory is founded upon situational-determined decisions. As in choosing a particular golf club for a given shot, leadership styles are used based upon the dynamics of the situation facing the organizational leader(s) at that particular time.

The authors render their personal characterization of the term "leadership" as the managerial aptitude to inspire, maximize, and mold the potential of an individual to participate into the collective achievement of organizational goals and objectives.

The Role of Leadership within Management

The authors concur with the theory that "leadership" is a function within management, but contrary to Daft (2012), believe that leadership is not merely an addition to management but the crucial key component that drives successful organizational management. Management is predominantly task-oriented and refers to a supervisor's ability to maintain the integrity of the operations. Leadership, on the other hand, is people-oriented and highlights the capability of a person to engage and inspire a group of individuals to achieve predetermined objectives. The absence of leadership could be compared to a ship without a captain and a rudder, resulting in an aimless, energy expending journey to nowhere.

Leadership

Constructing a leadership model is like deciphering a complex brainteaser; it entails identifying the key components of the riddle and then solving the puzzle by aligning and fitting the different pieces in the appropriate slots. Similarly, in order to develop an effective leadership template for managers we need to identify which components and attributes are relevant.

Leadership Components Process

Recent trends have redefined leadership from a personal action or role perspective to a process, which implies that leadership is not solely attributed to individual actions (Petrie, 2011). This statement is echoed by Brumfield (2012) and Daft (2012) who postulate the main focus of leadership to be a process of influence over the organization as a whole. The ultimate goal is how to match and balance the individual goals with the organizational objectives, and in this context,

"who" leads becomes secondary to the "what" being the needs and ambitions of the stakeholders and "how" we can satisfy them (Petrie, 2011, p. 23)**.**

Traits

Several literary experts assume that specific personal traits are the core determinants of leadership effectiveness. A study by Malik, et al. (2011) proved a positive correlation to exist, in order of statistical significance, between the traits of emotional maturity, self-confidence, sense of humor and the effectiveness of a principal's leadership in Punjab, India. Malos (2011) examines the determinants of leadership in his "Leadership's Trait Theories" article, quoting Bass' six characteristics that differentiate leaders from non-leaders: drive, the desire to lead, honesty/integrity, self-confidence, cognitive ability, and knowledge of the business (p. 216). These specific traits would enable a person to generate leadership capital, which translates into influence within all levels of the organization.

Expertise

Intellectual competency and expertise are crucial components of "leadership" as well. Deming supports this position with the statement "there is no substitute for teamwork and good leaders, who will bring consistency of effort along with knowledge" (Chamberlin, 2012, p. 34). Leaders must know the work they supervise which implies for managers to "GOYA" (get out of your office) and apply the "GeYoHaDi" principle, get your hands dirty and gain in-depth knowledge of the various job tasks assigned to your employees (Chamberlin, 2012, p. 30).

Context

In addition, there are individuals who advocate the premise that effective leadership is relative to the organizational context. The Larsson and Vinberg (2010) study results implied successful leadership behavior to contain both universal and contingency leadership elements. Cangemi, Davis, Sand, and Lott (2011) hypothesize that significant organizational challenges follow a three stage process: Survival Stage, Stability Stage, and the Creative-Competitive *Stage*, in which each phase requires a different leadership style approach. When a company enters the "Survival Stage", it requires swift, radical, ethical and decisive leadership to avoid default or bankruptcy. The "Stability Stage" demands a very knowledgeable and capable leader who can elevate core competencies and transform the organization into a more efficient and stable entity. Once stability is achieved management changes its role to a "Creative-Competitive" leadership approach which allows the organization to optimize its competitive skill set onto a global platform by means of an open, opportunistic, and team based system.

Partnership

There are ample references to the value of a team based approach. Petrie (2011) points out that building a network of collective innovative leadership should be key principles in leadership development. The complex "new" business environment renders it more difficult for anyone to solve challenges individually. Therefore, managers should be taught to focus on collaboration with partners that add problem solving values to his or her specific setting (Petrie, 2011). Promoting input from various stakeholders, such as employees, clients, and vendors allows a director or supervisor to gain multiple perspectives, which in turn is conducive to innovation and problem solving. Moreover, increased stakeholder involvement translates into improved chances for solutions and positive outcomes.

Each of the aforementioned leadership components deserves consideration in the evaluation of an optimal leadership style for managers and executives. Yet, the unique structure and characteristics of each industry does not provide any significant evidence to rank the components in order of priority or importance.

A Selection of Leadership Styles

Leadership styles are designed with the intent to direct behavior towards the accomplishment of common, organizational objectives. Literature reveals there is no consensus on one all-encompassing, effective leadership type, but recognizes the charismatic, transactional and transformational approaches to be the more effective leadership styles in the current day environment (Daft, 2012). A study by Khan, Hafeez, Rizvi, Hasnain, and Mariam (2012) analyzed the relationship of leadership styles, employee commitment and organizational performance in the telecom call centers of Islamabad, and concluded there was a statistically significant correlation between both transformational and transactional leadership, and organizational performance. During the literary analysis the authors discovered a variety of overlapping leadership styles, each displaying some nuances in their approach. They also learned a notable agreement to exist among researchers that the more styles the leader uses the better (Limbare, 2012).

Listed below is a description of select mix of leadership styles derived from literature, some styles are broadly accepted, others are part of a comprehensive leadership model, or unique creations:

Autocratic Leadership

Autocratic leaders assume a top down approach maintaining full control over all operational aspects because they have assumed full responsibility for decision making. This outdated approach relegates staff members to executing orders without regard for employee input (Limbare, 2012).

Missionary Leadership

Missionary leadership is derived from Reddin's model, and is typified by an interest in maintaining a harmonious work environment. Limbare (2012) identifies this particular style also to be the most preferred approach by executives in his conflict management study conducted in the Nasik region of India.

Compromiser Leadership

Reddin describes a "compromiser" leader to be a poor decision maker, an individual who is over-influenced and keen on minimizing immediate problems and concerns (Limbare, 2012).

Level 5 Leadership

The Level 5 leadership concept was developed by Jim Collins and defines a leadership style that transforms good companies into great organizations. Level 5 leadership blends the paradoxical traits of personal humility with professional will, and represents the highest level on the hierarchy of managerial capabilities (Daft, 2012).

Authentic Leadership

The notion of authentic leadership was first introduced by Bill George in 2003 in his book *Authentic Leadership: Rediscovering the Secrets to Creating Lasting Value*, and consists of a leader's sense of purpose, self-awareness, moral perspective, and relational transparency (Gardiner, 2011).

Rajarshi Leadership

This values-centered style leadership sprouts from the Indian "Rajarshi" concept which combines "Raja" (who ensures the happiness of the people) and "Rishi" (seer, visionary) and emphasizes internal gratification through meaningful contributions to the people they lead. The model promotes "role" over "self" but limits its relevancy to the highest levels of management in all aspects of society (Patel, 2012).

Charismatic Leadership

Charismatic leadership according to Daft (2012) alludes to the ability of a leader to inspire and motivate people to sacrifice their personal interests and exceed their normal level of effort for the benefit of the team and organization. Berendt, Christofi, Kasibhatla, Malindretos, and Maruffi (2012) describe charismatic leadership to thrive on personal values, beliefs, and qualities in combination with the ability to elevate the interests, awareness, and acceptance of the group.

Servant Leadership

Greenleaf's "servant as leader" model centers around the leader's display of humility by considering their own needs as secondary to the needs of their followers and the organization which they are leading. It is further characterized by the key qualities for being a good listener, self-awareness, empathy and stewardship which enable the leader to better understand their constituent's needs and maximize their potential while tailoring their aspirations to the organizational needs and objectives. Servant leaders should therefore be viewed as trustees of the human capital of an organization (Berendt, Christofi, Kasibhatla, Malindretos, & Maruffi 2012).

Transformational Leadership

Transformational leadership is arguably the most popular current day leadership style. This leadership style, resembling key aspects of charismatic leadership, emphasizes empowerment and motivation as tools to forgo self-interest for the sake of the organization and activating their higher order needs. As a result, there is an increase in their level of performance, satisfaction, and commitment to the goals of their organization (Obiwuru, Okwu, Akpa, & Nankwaere, 2011).

In addition, transformational leadership consists of a more open, functional managerial platform which allows for more flexibility to adapt to organizational change (Khan, et al., 2012). Hence, transformational leadership is well suited to adapt to the current, fast paced changing environment, and especially to address technological advancements and innovations.

Transactional Leadership

Transactional leadership is based on the conventional exchange relationship in which followers' compliance is exchanged for expected rewards; transactional leaders work their organizational cultures following existing rules and procedures (Obiwuru, Okwu, Akpa, & Nankwaere, 2011).

Transactional leaders follow standards, assignments, and task-based goals, and subscribe to task completion oriented, rewards and punishment systems with the purpose of influencing employees to achieve individual and organizational objectives (Rehman, Shareef, Mahmood, & Ishaque, 2012).

Situational Leadership

Daft (2012) discusses Hersey and Blanchard's situational leadership model on the basis of the varying degree of employee readiness, more specifically regarding the qualities of willingness and ability. Leaders employ one of four leadership styles in accordance to the degree of employee readiness:

- *Telling Style* is characterized by a direct, autocratic type, order format.

- *Selling Style* consists of providing explanations and clarity.

- *Participating Style* focuses on sharing ideas and employee buy-in.

- *Delegating Style* promotes empowerment and shifts responsibility to the employee. (p. 432)

Followership

An important aspect affecting leadership effectiveness is the reciprocal connection between employer and employee. Every individual possesses a unique set of skills and intellectual, emotional, and personality characteristics. Leaders, therefore, should be wise to consider these interpersonal differences when soliciting employee buy-in capital. The employer-employee relationship has, as a result of the current economic conditions, evolved to a more short-term, result oriented contract. The prospect of dwindling long term job security has prompted individuals to adopt more self-reliant behavior and become more engaged in their personal career development. Managers, on the other hand, are geared to hone in on employee performance from both a qualitative and quantitative perspective (De Meuse & Tornow, 1993).

A study conducted by the Center of Creative Leadership concludes that the key competencies employers target today have changed significantly as well (Petrie, 2011). The traits of "technical mastery, self-motivation and discipline, confidence, effective communication, and resourcefulness" were the prevailing qualities two decades ago, but have been updated to include the competencies of "adaptability, effective communication, self-awareness, learning agility, multicultural awareness, self-motivation and discipline" in today's work environment (Pace, 2012, p. 44). Both the employee perspective and the changing market demands have significantly altered the employee-employer relationship, and are important variables to consider in weighing the effectiveness of a leadership style. Given the complexity of the employee-employer interactions in the modern workplace, leaders must possess a set of personal and social competencies in order for their employees to perform at maximum levels. Personal competence is characterized by self-awareness, confidence, self-regulation, conscientiousness, and motivation. Social competence consists of empathy and social skills such as communication and conflict management (Northoouse, 2007).

The other side of this coin represents the needs of the employees. Deming's view of the organization as a "system" is thought to permeate all levels of the organization. Deming's last of the four parts to his system of knowledge deals with motivation where he suggests that when one contributes to an effective system, a sense of joy, satisfaction and pride occurs within the individual (Valencia, 2008).

Analysis

Upon digesting this plethora of information, the authors concur with W. Edwards Deming's statement, "The job of management is not supervision, but leadership" (Chamberlin, 2012, p. 30). The question remains, is there a universal leadership model that effectively addresses the current work environment and market demands?

Lieven T. Cox attended a Knoxville Hospital Council sponsored seminar on October 16, 2012 in Knoxville, TN, addressing "The Future of Healthcare" presented by Clint Maun, a nationally recognized healthcare consultant. The speaker emphasized the importance of (1) knowing the capabilities of your staff, (2) employee empowerment, and (3) developing strategic alliances and partnerships to successfully manage the current, fast paced, changing healthcare environment. His lessons resonated loud and clear with the audience when he shared the following anecdote about his modus operandi. Each time he took on a new administrator assignment he would conduct a meeting with the staff and instruct them to stick post-it notes with their concerns and problems on his office door, at day-end he would convene again and tear up all the post-it notes to the consternation of his staff. When asked what he would have done if the message

conveyed an emergency, he replied: "I have never received a post-it note stating west wing is on fire, people always manage to find me in case of a true emergency!" The basis for successfully adapting to the current economic revolution is to transform the psychological contract between employee and management to be one of shared vision, responsibility, and mutual benefit (De Meuse & Tornow, 1993). For leaders to be effective, they need to know their employees abilities and where the employees place on a developmental continuum (Northouse, 2007). Leadership styles are adapted to meet the subordinate at their developmental level. This situational approach allows for leaders to be flexible in their leadership approach to meet the unique needs of their subordinates.

According to Fiedler, the optimal leadership style is dependent upon internal and external constraints. These constraints may include the industry, organizational size, technologies used and certainly the cultural setting of the organization (Opgenhoff, 2007). For the past several decades, the predominant qualities of successful leaders came from the Euro-American view which embraced the qualities of logical thinking, persistence, self-control, and personal characterisitcs of which were ethnocentrically valued. As globilization and international buisness have expanded and become interconnected, the fallacy of a universal leadership style has become exposed. Bolstered by Fiedler's contingency theory and the four key ideas which support his position, culture is as important a factor in making decisions as any other consideration.

The four key elements of the contingency theory by Fiedler are:

- There is no universal or one best way to manage.

- The design of an organization and its subsystems must 'fit' with the environment.

- Effective organizations not only have a proper 'fit' with the environment but also between their subsystems.

- The needs of an organization are better satisfied when it is properly designed and the management style is appropriate to the tasks.

So, leadership is about developing successful competencies such as the ability to innovate, develop, focus on people, inspire trust, provide a vision, ask what and why, authentic and can communicate well (Murray, 2009). These competencies will serve a leader in most organizations in most countries throughout the world. It is therefore crucial for managers to establish a partnership culture with employees and customers, a culture that promotes empowerment, accountability and buy-in, which in essence alludes to the *transformational and executive leadership* paradigms. As Robert Swiggett, former CEO of Kollmorgen eloquently put it "The leader's role is to create a vision and support them in a servant's role, run interference for the employees and create an atmosphere of understanding, trust and love, you want them to feel as they have complete control over their destiny at every level" which further represents key elements of *charismatic* and *servant leadership* styles (Chamberlin, 2012, p. 31).

Proposed Solution

The authors ascribe to the importance of staff empowerment, a continuously improving employee skill set, the partnership approach, and to the general consensus that there is no single all-encompassing leadership style that addresses all situations. Managing a crisis demands a different leadership approach than devising a management plan or supervising operations. The Chinese character for "crisis" is a combination of the characters for "danger" and "opportunity". When faced with crises a leader can elect to engage in a reactive (preserve), proactive (opportunistic), or combination (both reactive and proactive) approach (Brumfield, 2012, p. 47).

The current day economic sector displays characteristics of rapid technological changes, complex regulatory modifications, and volatile market conditions. The multifaceted nature of "business" therefore requires a "full range leadership model" (Obiwuru, Okwu, Akpa, & Nankwaere, 2011, p. 103) approach that might involve the application of more than one leadership style. In addition, each individual is inherently unique and each situation consists of a set of distinct characteristics resulting in a large amount of different combinations. Managers are frequently prompted to wear a different leadership hat depending on the context. Context, therefore, determines the application and effectiveness of a leadership style, hence, the choice of the term "contextual leadership" style.

The authors further distinguish three phases in the contextual leadership approach, (1) a core hybrid skill set employing basic elements of various leadership styles, (2) a situational leadership phase, and (3) the autocratic phase.

The core of the "contextual leadership" skill set consists of elements of the servant, executive, charismatic, and transformational leadership approaches. Their associated problem solving, innovation and efficiency competencies are proven to promote employee empowerment, buy-in, and team building skills, which the authors believes to be best suited to adapt to the changing environment. When a crisis situation occurs, the manager will employ leadership actions based on the degree of employee readiness and the organizational context. Addressing a crisis requires an immediate assessment and decisive response from either a competent employee or the supervisor. The manager will delegate the responsibilities to a properly trained and qualified staff member, or if employee readiness is lacking, will personally remedy the situation. The contextual leadership style, therefore, offers a flexible, omnificent solution to the challenging economic environment of the current era.

It is the authors' view that the contextual leadership style, in consideration of the global economic environment, needs to be culturally-linked. Drawing from Hofstede's (1980) research on cross-cultural psychology, the authors suggest that leadership styles are strongly aligned with accepted leadership approaches in specific cultures. A contrast of leadership-styles and preferred leader-subordinate relationship supports this conclusion as the Power Distance Index demonstrates how a particular culture values and respects authority (Gladwell, 2008). Malaysia, characterized by high power distance, aligns strongly with transactional leadership. Their collectivist culture focuses on group harmony and maintaining relationships rendering this predominant paternalistic leadership style inherently culture-specific. On the other hand, Australian leadership-style tends to be transformational. Managers in Australia are viewed more as co-coordinators allowing for more direct disagreements and open discussions. Therefore, the Australian culture develops manager's skill sets to be participative, consulting and cooperative in the decision-making process. Leadership styles are not only situational-dependent but they are also culturally-contingent (Jogulu, 2010).

Building upon Hofstede's research, the GLOBE Project (1980) study of 62 nations over an 11 year period attempted to determine how leadership and leader's styles vary among nations and cultures. This research of roughly 17,200 middle managers produced data in two categories: cultural dimensions and culture clusters. Significant findings in this study revealed that of the 65 leadership traits deemed important for subordinates, 22 of these styles were found to be universally desirable characteristics. Conversely, eight (8) leadership traits were found to be universally undesirable. The remaining leadership characteristics were categorized as culturally contingent (Hoppe, 2007). The findings in this study support the claim that culture is a key defining element in leadership, and that the "global data" provides a universal vantage point regarding the relationship between culture, leadership and followership.

CONCLUSIONS

The comprehensive analysis of peer review articles pertaining to the most effective leadership style for managers

did not provide us with clear uniform answers. Yet, the authors were able to deduce key elements and components from this research into a contextual leadership style solution for the changes and challenges that face the 21st century marketplace. The hybrid, contextual leadership style combines basic elements from the charismatic, servant, executive, and transformational models with aspects of transactional, autocratic and situational leadership types. The leader will adopt the leadership style according to the context and level of employee readiness.

The authors recognize that the conclusions derived from the peer reviewed articles are contextual in nature and limited in scope to either geographical regions or specific markets, and should therefore not carry universal weight. They do believe the literature review based findings to have some significance but recommend the effectiveness of the proposed contextual leadership component to be validated by empirical studies. Furthermore, an argument can be made that effective leadership is contingent upon subjective perception of the employee-manager relationship, rather than dependent on traits or context.

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